THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to(c) Government is taking steps to improve the export infrastructure to increase trade from the North Eastern region. Under the Assistance to States for Development of Export Infrastructure and Allied Activities (ASIDE) Scheme, the Central Government provides 10% of the total outlay for developing export infrastructure in the North Eastern region. Border trade with Myanmar is taking place through Moreh in Manipur. Zokhwathar in Mizoram has been inaugurated as a border trade point and Rs. 4.22 crore have been released to the Border Roads Organization under ASIDE Scheme for construction of a composite building at Zokhawthar. A border trade mart is also being set up at Sherathang in Sikkim for commencing Border Trade between India and China through Nathu La.

Import of gold and silver

1766. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Minister proposes to allow import of gold and silver directly by individual and small jewellers; and

(b) if so, the details thereof and by when it will be permitted?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) A proposal is under consideration of the Ministry of Finance for enlarging the scope of the entities allowed to import gold so as to include companies with a net worth of Rs. 25 Crores in the jewellery business, apart from the presently nominated agencies & Five Star Export Houses.

Negotiations for opening up of global farm goods market

1767. SHRIMURLI DEORA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether negotiations to open up the global farm goods market further, are not progressing satisfactorily and if so, the reasons therefor;

(b) whether developed countries are primarily responsible for large distortions and protectiveness in the agricultural sector and if so, the details thereof; and

(c) the steps taken to see that defensive concerns of developing countries in agriculture are addressed?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) Pursuant to the Framework Agreement on Agriculture of July 2004, negotiations have been proceeding on all the three pillars, namely, market access, domestic support and export competition, towards reaching agreement on structural aspects of the detailed modalities and further commitments by members of the World Trade Organisation (WTO). A broad understanding on the methodology for conversion of Non-Ad *Valorem* duties (NAVs) to their *Ad Valorem* Equivalents (AVEs) was reached in May 2005, which is considered a prerequisite to the further negotiations on market access. It has also been broadly agreed that a Swiss formula would not be need for computing tariff reduction commitments. It has been agreed to intensify negotiations with a view to reaching agreement on the issues involved by the next Ministerial Meeting of the WTO scheduled for Hong Kong, China, in December 2005.

(b) and (c) Reports by many eminent agri-economists and various bodies conducting research in agricultural policies of developed countries, including the World Bank, the International Monetary Fund and the Organisation of Economic Cooperation and Development (OECD), have concluded that high levels of protection, through combinations of tariff rate quotas, tariff peaks, tariff escalation, high specific duties, and subsidies, are prevalent on agricultural products in developed countries. Estimates of subsidies in OECD countries range between US$ 330 to 360 billion per annum, whose effect is to stimulate over production in high cost developed countries, to shut out potentially more competitive products from developing countries, and to distort trade in agricultural products.

In order to redress this situation, in the on-going negotiations on agriculture in the WTO, India, along with other Members holding similar interests and concerns have demanded that, *inter alia,* all forms of export subsidies must be eliminated within a period of not more than five years, trade-distorting domestic support provided mainly by developed countries to their agriculture sector must be substantially reduced and substantial improvements in market access must be provided consistent with the mandate to negotiate agreed at the Doha

Ministerial Meeting of the WTO in November 2001 and the Framework Agreement of July 2004. Further more, special and differential treatment for developing countries must be integral to all aspects of the negotiations, including through proportionately lower commitments and longer implementation periods for developing countries as compared to developed countries, and the negotiation of an appropriate tariff reduction formula that takes into account the different tariff structures of developed and developing Members. In order to safeguard their food and livelihood security and rural development needs, developing Members will be allowed to designate sensitive products and Special Products and a new Special Safeguard Mechanism to address any price depressions and surges in imports of agricultural products has also been agreed whose details are under negotiation.

World Bank Report regarding investment in India

1768. SHRIMATI N.P. DURGA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware of the recent World Bank Report which says India fares very badly on the investment;

(b) if so, what are the comments of the Government on this;

(c) whether it is also a fact that compared to most other countries, including those in South Asia, the time for entry, exit and contract enforcement are much higher in India;

(d) if so, the details thereof; and

(e) what steps are proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (e) World Bank's Report "Doing Business in 2005" analyses some factors influencing business environment in various countries. According to the report, India was amongst the top ten reformers in 2003.

Comparative position of India and some other countries, including Countries from South Asia, on 'Starting a Business', 'Enforcing Contracts' and 'Closing a Business' as reported in the Report is shown in the following table.